

Message Text

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TO AMEMBASSY BELGRADE
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E.O. 11652:N/A

TAGS: ETRD, YO

SUBJECT: DISCREPANCIES IN U.S. AND YUGOSLAV TRADE
STATISTICS

1. YUGOSLAV FIRST SECRETARY KULISIC MET WITH STATE/
COMMERCE REPS ON FEBRUARY 17 TO DISCUSS YUGOSLAV CONCERN
ABOUT DISCREPANCIES IN U.S. AND YUGOSLAV BILATERAL TRADE
STATISTICS. DISCUSSION DID NOT BRING TO LIGHT ANY OBVIOUS
METHODOLOGICAL DIFFERENCES. U.S. SIDE EXPLAINED THAT
SIMILAR DISCREPANCIES OCCUR IN TRADE STATISTICS WITH OTHER
TRADING PARTNERS.

2. WE NOTED YUGOSLAV OVER-VALUATION OF THE DOLLAR AND USE
OF C.I.F. IMPORT VALUE IN TRADE STATISTICS ACCOUNTED FOR
SOME DISCREPANCIES BUT AGREED THAT THESE COULD NOT FULLY
EXPLAIN DIFFERENCES. FOR EXAMPLE, WE ESTIMATED THAT ONLY
8 TO 10 OF THE DISCREPANCY COULD BE EXPLAINED BY
DIFFERENCE BETWEEN C.I.F. AND F.A.S. VALUATION OF YUGOSLAV
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PAGE 02 STATE 051548

IMPORTS. WE ALSO SPECULATED THAT THE DIFFERENCES MIGHT
BE EXPLAINED IN PART BY YUGOSLAVIA'S (1) DOUBLE COUNTING
OF GOODS SHIPPED IN INSTALLMENTS; (2) DOUBLE COUNTING OF
PRIORITY COMMODITY IMPORTS FOR WHICH PAYMENT OF IMPORT
DUTIES HAS BEEN DEFERRED; OR (3) ATTRIBUTION OF PRODUCTS

FROM U.S. SUBSIDIARIES IN EUROPE TO U.S. RATHER THAN

COUNTRY OF ORIGIN. WE ALSO NOTED THAT U.S. STATISTICS MIGHT UNDERESTIMATE EXPORTS TO YUGOSLAVIA DUE TO COMMON PRACTICE OF MANY U.S. FIRMS TO SHIP GOODS FOR EUROPEAN MARKETS INITIALLY TO BONDED WAREHOUSES IN BELGIUM/ NETHERLANDS. AT THAT TIME, FINAL COUNTRY OF DESTINATION FREQUENTLY IS NOT KNOWN, AND U.S. CUSTOMS DOCUMENTS ARE NOT SUBSEQUENTLY REVISED TO SHOW ULTIMATE RECIPIENT.

3. KULISIC ALSO RAISED QUESTIONS ABOUT POSSIBLE DIFFERENCE IN U.S. AND YUGOSLAV METHODS OF CLASSIFYING COMMODITIES FOR STATISTICAL PURPOSES. WE POINTED OUT THAT SUCH DIFFERENCES WOULD NOT AFFECT TOTALS.

4. KULISIC INDICATED THAT HE WOULD REPORT MEETING AND U.S. VIEWS TO BELGRADE. IT WAS AGREED THAT FURTHER DISCUSSIONS WOULD BE USEFUL ONCE KULISIC OBTAINS CLARIFICATION OF THE POINTS RAISED BY THE U.S. SIDE. VANCE

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